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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/699,552	10/30/2003	Laura Lee Orcutt	WELL0036	3032
22862	7590	04/04/2007	EXAMINER	
GLENN PATENT GROUP 3475 EDISON WAY, SUITE L MENLO PARK, CA 94025			ELISCA, PIERRE E	
			ART UNIT	PAPER NUMBER
			3621	
SHORTENED STATUTORY PERIOD OF RESPONSE		MAIL DATE	DELIVERY MODE	
3 MONTHS		04/04/2007	PAPER	

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary	Application No.	Applicant(s)	
	10/699,552	ORCUTT, LAURA LEE	
	Examiner Pierre E. Elisca	Art Unit 3621	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 19 January 2007.
 2a) This action is FINAL. 2b) This action is non-final.
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-56 is/are pending in the application.
 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
 5) Claim(s) _____ is/are allowed.
 6) Claim(s) 1-56 is/are rejected.
 7) Claim(s) _____ is/are objected to.
 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.
 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date: _____
3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)	5) <input type="checkbox"/> Notice of Informal Patent Application
Paper No(s)/Mail Date: _____	6) <input type="checkbox"/> Other: _____

DETAILED ACTION

1. This office action is in response to Applicant's amendment filed on 01/19/2007.
2. Claims 1-56 are currently pending in this application.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-56 are rejected under 35 U.S.C. 103 (a) as being unpatentable over Funk (U.S. Pat. No. 5,832,463) and Downs, Jr. (U.S. Pat. No. 6,654,487) **in view of the newly found prior art Guzman US 2003/0182227 A1.**

As per claims 1 and 8-35 Funk substantially discloses a checkless transaction system that converts the check transaction into an electronic ACH, comprising:

Means for reading a MICR line in a check at a point where said check is presented (see., abstract, col 3, lines 28-67, col 4, lines 1-52. The limitation if said reading the MICR is successful, then, prior to parsing said MICR line does not add patentable distinction apart from the prior art of record).

During the interview conducted on 03/01/2006, Applicant's representative argues that the prior art of record fail to explicitly disclose the limitation wherein said if said check is eligible to be converted to an ACH debit. However, the Examiner respectfully disagrees

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with this assertion because it is obvious to realize that if a check is not in good standard, i.e folded or stain or if the MICR has a missing number, and therefore would not be eligible for scanning. Moreover, if it is scanned an individual would not be able to interpret or understand what it is. Thus, would be a waste of memory.

It is to be noted that Funk fails to explicitly disclose **a various rules if the check can not converted to said ACH, processing the check**. However, Down discloses a check processing system which includes a predetermined set of MICR line validation rules (see., abstract, lines 6-15, col 117, lines 44-67, col 118, lines 1-28). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the checkless transaction of Funk by including the limitation detailed above as taught by Downs because this would recognize invalid MICR line based on various rules.

Funk and Down fail to explicitly disclose the limitation wherein said an eligible check is defined as a consumer check and such as a biller associated with said check. Guzman discloses a method of depositing and monitoring account credits received by bank check in conjunction with a sales transaction where the account credits are made by a third party to the sales transaction comprising: entering a transit number, account number, check number and a check amount associated with the merchant location (see., Guzman, [0003], [0004], [claim 21]. Accordingly, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the checkless transaction of Funk and Down by including the limitation detailed above as

taught by Guzman because this would allow the merchant to receive the check without meeting the consumer.

As per claims 2-8, and 36-56 Funk substantially discloses the claimed method of converting a check transaction into an electronic ACH, comprising:

reading a MICR line in a check at a point where said check is presented (see., abstract, col 3, lines 28-67, col 4, lines 1-52).

It is to be noted that Funk fails to explicitly disclose a various rules if the check can not be converted, processing the check. However, Down discloses a check processing system which includes a predetermined set of MICR line validation rules (see., abstract, lines 6-15, col 117, lines 44-67, col 118, lines 1-28). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the checkless transaction of Funk by including the limitation detailed above as taught by Down because this would recognize invalid MICR line based on various rules.

Funk and Down fail to explicitly disclose Applicant's newly added limitation wherein said an eligible check is defined as a consumer check and such as a biller associated with said check. Guzman discloses a method of depositing and monitoring account credits received by bank check in conjunction with a sales transaction where the account credits are made by a third party to the sales transaction comprising: entering a transit number, account number, check number and a check amount associated with the merchant location (see., Guzman, [0003], [0004], [claim 21]. Accordingly, it would have been obvious to a person of ordinary skill in the art at the time the invention was

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made to modify the checkless transaction of Funk and Down by including the limitation detailed above as taught by Guzman because this would allow the merchant to receive the check without meeting the consumer.

RESPONSE TO ARGUMENTS

5. Applicant's arguments filed on 01/19/2007 have been fully considered but they are moot in view of new ground (s) of rejection.

REMARKS

6. a. In response to Applicant's representative arguments, Applicant's representative argues that the prior art of record fail to explicitly disclose the limitation wherein said if said check is eligible to be converted to an ACH debit. However, the Examiner respectfully disagrees with this assertion because it is obvious to realize that if a check is not in (good standard, i.e folded or stain or if the MICR has a missing number, therefore would not be eligible for scanning. Moreover, if it is scanned an individual would not be able to interpret or understand what it is. Thus, would be a waste of memory. Moreover, if it is scanned an individual would not be able to interpret or understand what it is. Thus, would be a waste of memory. **Applicant should note that the word ELIGIBLE is still not well defined in the claims.**

b. "a prima facie of obviousness was not established because the three criteria were not met". The Examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there

is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992).

The rationale to modify or combine the prior art does not have to be expressly stated in the prior art; the rationale may be expressly or impliedly contained in the prior art or it may be reasoned from knowledge generally available to one of ordinary skill in the art, established scientific principles, or legal precedent established by prior case law. *In re Fine*, 837 F.2d 1071, 5USPQ2d 1596 (Fed. Cir. 1988); *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). See also *In re Eli Lilli & Co.*, 902 F.2d 943, 14 USPQ2d 1741 (Fed. Cir. 1990) (discussion of reliance on legal precedent); *In re Nilssen*, 851 F.2d 1401, 7USPQ2d 1500 (Fed. Cir. 1988) (references do not have to explicitly suggest combining teachings); *Ex parte Clapp*, 227 USPQ 972 (Bd. Pat. App. & Inter.); and *Ex parte Levengood*, 28 USPQ2d 1300 (Bd. Pat. App. & Inter. 1993) (reliance on logic and sound scientific reasoning).

Also in reference to *Ex parte Levengood*, 28 USPQ2d, 1301, the court stated that "Obviousness is a legal conclusion, the determination of which is a question of patent law.

Motivation for combining the teachings of the various references need not to explicitly found in the reference themselves, *In re Keller*, 642 F.2d 413, 208USPQ 871 (CCPA 1981). Indeed, the Examiner may provide an explanation based on logic and sound scientific reasoning that will support a holding of obviousness. *In re Soli*, 317 F.2d 941 137 USPQ 797 (CCPA 1963)."

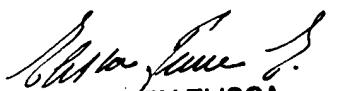
Conclusion

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7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Pierre E. Elisca whose telephone number is 571 272 6706. The examiner can normally be reached on 6:30 to 5:00. Patent hoteling.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Andrew Fischer can be reached on 571 272 6779. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



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March 23, 2007